

OCTOBER 2022

FIONA EMERGENCY RELIEF



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CERTIFIED PUBLIC ACCOUNTANTS
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ANNOUNCEMENT

Due to the passage of Hurricane Fiona on September 18, 2022, the Puerto Rico Department of the Treasury (PRTD), the U.S. Small Business Administration (SBA) and the Federal Emergency Management Agency (FEMA) implemented measures to protect the well-being of the Puerto Rico's citizens and taxpayers. On September 27, 2022, the PRTD issued Administrative Determination No. 22-08 (AD 22-08) to establish such measures. In addition, the SBA and FEMA announced programs that are available to assist individuals, municipalities, Governmental Agencies, nonprofits, and businesses to help in the recovery.

PRTD AD 22-08 TAX ADMINISTRATION MEASUREMENTS

NEW DUE DATES

- The new due date for filing and payment of Income Tax Returns for individuals, corporations, pass-through entities, and all others with an original due date ranging from September 30 to December 15, is **December 15, 2022**;
- Payment of the 2nd installment of the income tax determined in the 2021 individual income tax return is now due on **December 15, 2022**;
- Tax return to claim the credit for the elderly (Form 481.10) with original due date of October 14, 2022, will now also have a **December 15, 2022**, due date;
- Extended due date for returns whose original due date had been postponed to December 15, 2022, by AD 22-08 is now **June 15, 2023**;
- The filing and deposits related to the Sales and Use Tax and Tax on Imports Monthly Return for August 2022, which had an original due date of September 20, will now be due on **October 20, 2022**;
- All bonds with an expiration date between September 19 and November 17, will now expire on **November 18, 2022**;
- All Mathematical Error Notices and Tax Return Adjustments' claims, with an original term due between September 19 and November 17, will now have until **November 18, 2022** to submit such claims
- All Internal Revenue licenses set to expire from September 19 to November 17, now may be renewed on or before **November 18, 2022**;
- Certain administrative proceedings before the PRTD not available through SURI that were original due from September 19 and November 17, will now be due on **November 18, 2022**. These include Ruling Requests, Administrative Reviews of Debts, Changes in Accounting Period, and Changes in Accounting Methods; and,
- Certain administrative proceedings before the PRTD not available through SURI that were original due from September 19 and October 17, will now be due on **October 18, 2022**. These include filings and documents to be presented before the Office of Administrative Appeals.

PRTD AD 22-08 TAX ADMINISTRATION MEASUREMENTS (CONT.)

COLLECTION NOTICES/ EMBARGOES

- All bank account embargoes, collection notices and other levies are put in hold until **November 18, 2022**.

TAX PAYMENT PLANS

- Those taxpayers who were affected by Hurricane Fiona and are current on their payment plan with the PRTD may enter a new payment plan before **December 31, 2022**, if they are unable to meet an installment of their current plan due to Hurricane Fiona. The new payment plan may be requested through SURI or by visiting the Collection's Office of the PRTD.

TEMPORARY EXEMPT CERTIFICATE

- An automatic Temporary Exempt Certificate will be granted to merchants with a valid Reseller Certificates to exempt them from Sales and Use Tax (SUT) on any imports of taxable items for resale for the month of **October 2022**.

RETIREMENT PLANS

- Disaster distributions from qualified retirement plans and individual retirement accounts (IRAs) will be allowed from **October 6, 2022 to December 31, 2022**. Any distribution of \$10,000 or less within the established period, won't be considered gross income, as such, won't be subject to any income tax withholding. Any distributions between \$10,000 and \$100,000 will be subject to a special tax rate of 10%.

EMPLOYER PAYMENTS TO EMPLOYEES

- Qualified Payments made by employers to their employees or independent contractors to help overcome disasters will be excluded from recipient's gross income. These qualified payments need to be paid from **September 19, 2022, to December 31, 2022** in order to be excluded.
- Loans to employees or independent contractors to cope with a declared disaster will be excluded from gross income. In order for these loans to be excluded, they need to be non-interest and paid between **September 19, 2022, to December 31, 2022**.

SBA LOANS AVAILABLE

SBA provides disaster assistance for homeowners, renters, nonprofits, and businesses of all sizes affected by Hurricane Fiona.

The entire Commonwealth of Puerto Rico is eligible for SBA disaster assistance as a result of Hurricane Fiona.

Application filing deadlines:

- Physical damage: November 21, 2022
- Economic injury: June 21, 2023

TYPES OF AVAILABLE DISASTER LOANS

- **Home Disaster Loans** – Loans to homeowners or renters to repair or replace disaster-damaged real estate and personal property, including automobiles.
- **Business Physical Disaster Loans** – Loans to businesses to repair or replace disaster-damaged property owned by the business, including real estate, inventories, supplies, machinery and equipment. Businesses of any size are eligible. Private, non-profit organizations such as charities, churches, private universities, etc., are also eligible.
- **Economic Injury Disaster Loans (EIDL)** – Working capital loans to help small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private, non-profit organizations of all sizes meet their ordinary and necessary financial obligations that cannot be met as a direct result of the disaster. These loans are intended to assist through the disaster recovery period.

Get help with your application.

In FSA we can help you facilitate the application process and can provide technical assistance in regards to eligibility and compliance.

FEMA DR-4671-PR

If you are a municipality, government agency, private non-profit or an individual who was affected by Hurricane Fiona, we can help.

The Public Assistance covers 100% of the eligible costs estimated during the first 30 days after the disaster. After this period, the help can be reduced to 75% of eligible costs. Time is running up to complete a formal Request for Public Assistance (RPA) to FEMA.

Incident Period: Sep 17, 2022 - Sep 21, 2022

Declaration Date: Sep 21, 2022

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In FSA we can help you facilitate the application process and can provide technical assistance in regards to eligibility and compliance.



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